



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**TODD P. GRAVES**

---

Contact Don Ledford, Public Affairs • (816) 426-4220 • 400 East Ninth Street, Room 5510 • Kansas City, MO 64106

[www.usdoj.gov/usao/mow](http://www.usdoj.gov/usao/mow)

---

**DECEMBER 2, 2005**  
**FOR IMMEDIATE RELEASE**

## **COLUMBIA BUSINESS MAN INDICTED AGAIN FOR DEFRAUDING INVESTORS, MONEY LAUNDERING CONSPIRACY**

**JEFFERSON CITY, Mo.** – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a Columbia, Mo., businessman was indicted again by a federal grand jury for devising a scheme to defraud victim investors of hundreds of thousands of dollars, but today's indictment adds a money laundering conspiracy charge.

**Daryl Miles Brown**, 28, who is chairman of The Vertical Group and principal of Cerberus, Inc., both located in Columbia, was charged in a superseding indictment returned by a federal grand jury in Jefferson City.

The 12-count superseding indictment replaces the original indictment returned by a federal grand jury on Oct. 11, 2005, by adding an additional count. Count Twelve of the superseding indictment alleges that **Brown** conspired to commit money laundering from as early as December 2004 through Sept. 15, 2005.

The superseding indictment also re-alleges that **Brown** devised a business scheme to solicit victims to invest in what he purported to be opportunities to purchase and participate in high-yield, short-term investments which were unavailable to the general public. **Brown** referred to these investment opportunities as "Stand By Letters of Credit" or "SBLCs," the indictment alleges. **Brown** solicited the business by telephone, facsimile and email and through personal meetings.

As part of the scheme, **Brown** allegedly made misleading statements claiming to be licensed by the SEC and/or the National Association of Securities Dealers. **Brown** also made false statements regarding the investments he was offering his victims, the indictment alleges, telling victims that in return for their investment they would receive a profit of generally about 20 percent within 30 business days. **Brown** allegedly claimed that victims who remained invested

after 30 days would stand to see a return of up to approximately 20 percent of their initial investment each week. **Brown** claimed that the investment was safe and that investors' money could not be lost, the indictment alleges.

In addition to these false statements regarding the investments, the indictment alleges, **Brown** also claimed that he had a business degree from the University of Missouri, that he played professional football with the Kansas City Chiefs, that he had several highly-placed business relationships and that he was involved in a multi-million dollar trust.

In carrying out his scheme, **Brown** gave his victims instructions to wire funds to bank accounts in Florida and elsewhere, the indictment alleges. Counts One through Six of the federal indictment allege specific instances in which **Brown** committed wire fraud for the purpose of executing the scheme to defraud others.

Count One of the federal indictment alleges that **Brown** caused a \$30,000 wire transfer to take place on Jan. 10, 2005, between Midwest Independent Bank in Jefferson City to Bank of America in Clearwater, Fla.

Count Two of the federal indictment alleges that **Brown** made a telephone call authorizing a \$100,000 wire transfer to take place on Jan. 14, 2005.

Count Three of the federal indictment alleges that **Brown** caused a \$300,000 wire transfer to take place on Feb. 1, 2005, between Edward D. Jones in Ozark County, Mo., and the Bank of America in Clearwater.

Count Four of the federal indictment alleges that **Brown** caused a \$50,000 wire transfer to take place on Feb. 2, 2005, between a UMB Bank in St. Joseph, Mo., and the Bank of America in Clearwater.

Count Five of the federal indictment alleges that **Brown** caused a \$100,000 wire transfer to take place on Feb. 8, 2005, between a Bank of America in Belton, Mo., and the Bank of America in Clearwater.

Count Six of the federal indictment alleges that **Brown** sent an email from Columbia to Murfreesboro, Tenn., claiming securities had been received and would be liquidated and funds would be disbursed.

Count Seven of the federal indictment alleges that **Brown** used an investment scheme to cause a person to travel across state lines from Columbia, Mo., to New York, in order to lure that person to later make two wire transfers of \$5,000 or more from the Bank of America in Lenexa, Kan., to the Bank of America in Clearwater, totaling approximately \$150,000.

Count Eight of the federal indictment alleges that **Brown** used an investment scheme to cause a person to travel across state lines from Kansas to Boone County, Mo., in order to lure that person to later make two wire transfers of \$5,000 or more to Bank Star One in Fulton, Mo.,

from the Bank of America in Clearwater, totaling approximately \$100,000.

Counts Nine through Eleven of the federal indictment allege that **Brown** used an investment scheme to engage and attempt to engage monetary transactions of \$10,000 or more.

Count Nine of the federal indictment alleges that Brown engaged or attempted to engage a \$90,000 wire transfer on Jan. 19, 2005, from the Bank of America in Clearwater to the Bank Star One in Fulton, Mo.

Count Ten of the federal indictment alleges that Brown engaged or attempted to engage a \$50,000 wire transfer on Feb. 14, 2005, from the Bank of America in Clearwater to the Bank Star One in Fulton.

Count Eleven of the federal indictment alleges that Brown engaged or attempted to engage a \$30,000 wire transfer on April 5, 2005, from the Bank of America in Clearwater to the Bank Star One in Fulton.

Graves cautioned that the charges contained in the indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

The case is being prosecuted by Assistant U.S. Attorney Anthony P. Gonzalez. It was investigated by the Federal Bureau of Investigation, the Missouri Attorney General's Office and the Missouri Secretary of State's Securities Section.

\*\*\*\*\*

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

[www.usdoj.gov/usao/mow](http://www.usdoj.gov/usao/mow)